

## Message Text

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ORIGIN EB-06

INFO OCT-01 AF-04 EA-06 ISO-00 INT-05 GSA-01 AID-05

CIAE-00 COME-00 FRB-01 INR-05 NSAE-00 RSC-01 TRSE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-01 SIL-01 OMB-01

NSC-05 SS-15 STR-01 CEA-01 DODE-00 PA-01 USIA-06

PRS-01 /076 R

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FM SECSTATE WASHDC  
TO AMEMBASSY KINSHASA  
INFO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EMIN, ETRD, CG, JA

SUBJECT: FERROUS SCRAP: REQUEST TO DIVERT PORTION  
JAPANESE FERROUS SCRAP QUOTA TO ZAIRE

REF: KINSHASA 9606

1. IT WILL NOT RPT NOT BE POSSIBLE FOR MITSUI TO DIVERT  
30,000 TONS OF JAPANESE SCRAP QUOTA TO ZAIRE. WE HAVE HAD  
SIMILAR REQUESTS INVOLVING OTHER COUNTRIES IN PAST, AND  
ESTABLISHED POLICY HAS BEEN NOT TO PERMIT SUCH DIVERSIONS,  
ON GROUNDS THAT ANY SCRAP NOT PICKED UP BY COUNTRIES  
HAVING QUOTAS WOULD REMAIN IN US AND HELP ALLEVIATE  
DOMESTIC SHORT SUPPLY SITUATION. ALSO, CONTRARY TO  
IMPLICATION OF LOCAL MITSUI REP THAT JAPAN MIGHT NOT BE  
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USING ITS ENTIRE FOURTH QUARTER QUOTA, WE WERE RECENTLY

ADVISED BY EMBASSY TOKYO THAT JAPANESE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY HAS ALREADY ALLOCATED ENTIRE JAPANESE FOURTH QUARTER QUOTA OF 723,300 SHORT TONS (ST) AMONG JAPANESE END USERS, INDICATING THAT JAPAN INTENDS TO TAKE UP ITS ENTIRE FOURTH QUARTER QUOTA.

2. SINCE ZAIRE HAS NO US SCRAP QUOTA (QUOTAS ARE BASED ON US SCRAP EXPORTS DURING JULY 1970-JUNE 1973 BASE PERIOD, DURING WHICH US SCRAP EXPORTS TO ZAIRE WERE NIL), ONLY WAY ZAIRE CAN BE GIVEN AN ALLOCATION UNDER PRESENT SCRAP CONTROL PROGRAM IS THROUGH A FOREIGN POLICY ALLOCATION. THESE ALLOCATIONS ARE MADE FROM A 100,000 ST PER QUARTER CONTINGENCY RESERVE, AND ARE BASED IN EACH CASE ON COMBINATION OF ECONOMIC AND POLITICAL CONSIDERATIONS. FOREIGN GOVERNMENT REQUESTS FOR CONTINGENCY RESERVE SCRAP FAR EXCEED THE LIMITED TONNAGE AVAILABLE, AND IN VIRTUALLY ALL CASES ACTUAL TONNAGES ALLOCATED REPRESENT A SMALL FRACTION OF FOREIGN REQUESTS.

3. FOURTH QUARTER FOREIGN POLICY ALLOCATIONS FROM CONTINGENCY RESERVE HAVE ALREADY BEEN MADE. ALTHOUGH USG HAS MADE NO DECISION YET CONCERNING CONTINUATION OF SCRAP EXPORT CONTROL PROGRAM BEYOND END OF 1974, IF PROGRAM CONTINUES INTO 1975 AND ZAIRE WISHES TO BE CONSIDERED FOR A POSSIBLE CONTINGENCY RESERVE ALLOCATION, WE WILL NEED FOLLOWING INFORMATION: ZAIRE STEEL PRODUCTION IN 1973, 1974, AND ESTIMATED PRODUCTION FOR 1975. ZAIRE SCRAP REQUIREMENTS IN 1973, 1974, AND ESTIMATED REQUIREMENTS FOR 1975. SOURCES OF ZAIRE SCRAP IN 1973, 1974, AND ESTIMATE FOR 1975 (BROKEN DOWN BY TONNAGES OF SCRAP GENERATED DOMESTICALLY AND IMPORTED, WITH SOURCES OF IMPORTS.) ON RECEIPT OF THIS INFORMATION WE COULD CONSIDER ZAIRE FOR POSSIBLE CONTINGENCY ALLOCATION (ASSUMING CONTROL PROGRAM CONTINUES INTO 1975; IF PROGRAM TERMINATED, ZAIRE WILL, OF COURSE, BE FREE PURCHASE ITS SCRAP REQUIREMENTS IN OPEN MARKET). WE WOULD ALSO APPRECIATE EMBASSY KINSHASA'S VIEWS AND COMMENTS CONCERNING REPORTED ZAIRE SCRAP NEEDS.

4. IN CONVEYING ABOVE REQUEST FOR DATA TO GOZ OR ZAIRE LIMITED OFFICIAL USE

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STEEL INDUSTRY, EMBASSY SHOULD NOTE THAT CONTINGENCY RESERVE TO MEET REQUESTS OF COUNTRIES WITHOUT (OR WITH INSUFFICIENT) SCRAP QUOTAS IS EXTREMELY LIMITED, AND THAT FOREIGN REQUESTS FOR CONTINGENCY RESERVE ALLOCATIONS HAVE BEEN VERY HEAVY.

5. IF ZAIRE RECEIVES CONTINGENCY ALLOCATION (OR IF CONTROL PROGRAM TERMINATED) WE WILL BE HAPPY PROVIDE

EMBASSY WITH INFORMATION CONCERNING POSSIBLE US SUPPLIERS  
(AS PER REQUEST FINAL SENTENCE REFTEL). KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IRON, IMPORT QUOTAS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
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**Review Authority:** cunninfx  
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**Secure:** OPEN  
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